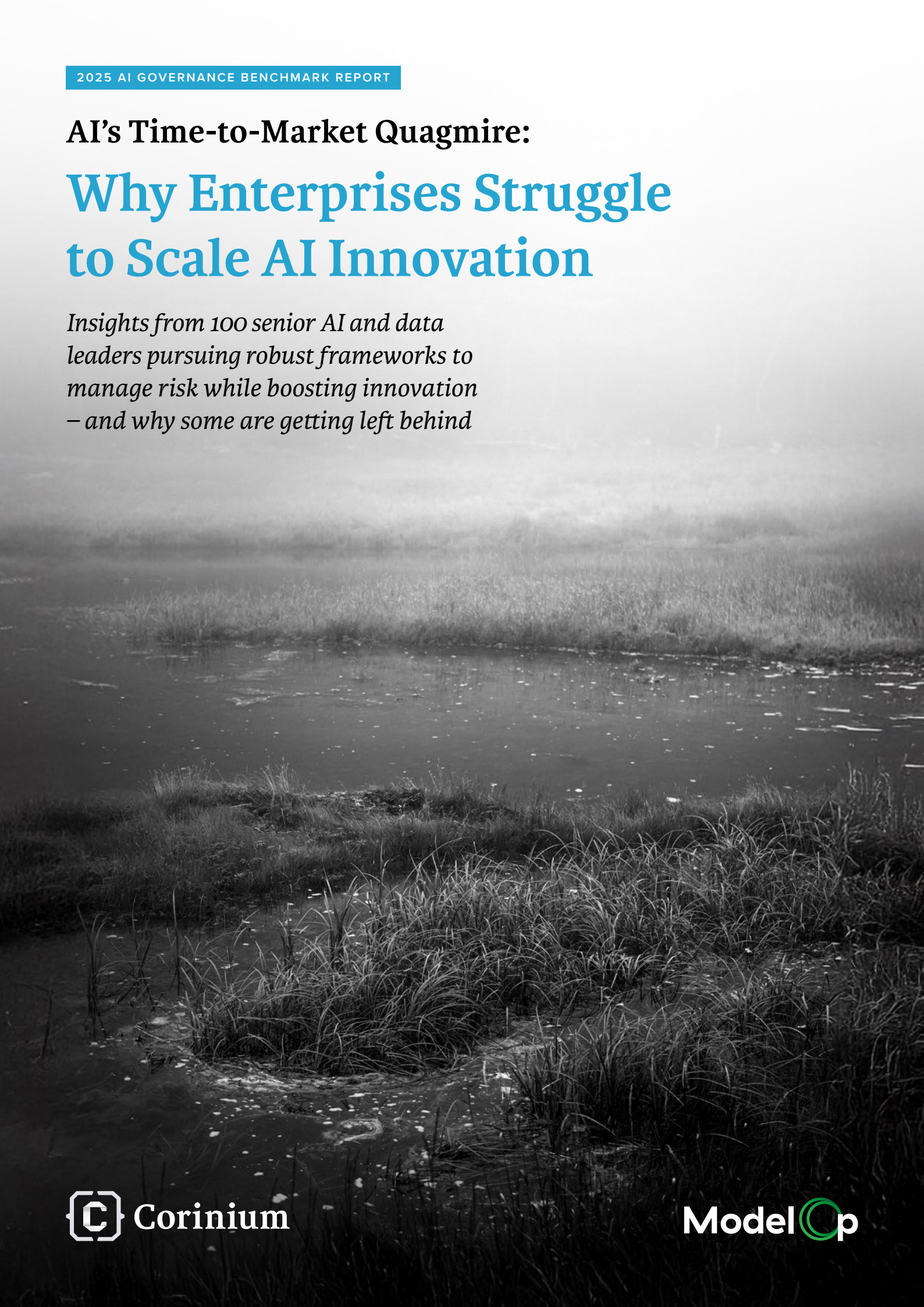
2025 AI GOVERNANCE BENCHMARK REPORT

AI's Time-to-Market Quagmire:

Why Enterprises Struggle to Scale AI Innovation

Insights from 100 senior AI and data leaders pursuing robust frameworks to manage risk while boosting innovation – and why some are getting left behind



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Executive Summary

Global spending on AI and generative AI is expected to double to $631 billion by 2028, according to research from IDC. Yet despite these significant investments, many enterprises face a persistent gap between their ambitions for AI-driven transformation and the actual number of productionized AI use cases.

In many cases, the reason for long lead times and stunted progress is a failure to embrace AI lifecycle automation and properly implement governance.

This report of 100 senior AI and data leaders in North America quantifies the problems they face when it comes to accelerating and scaling projects. It highlights how inefficiencies, fragmented ownership, and a failure to recognize how governance spurs innovation are making it difficult to reduce the time it takes to bring an AI initiative to market. These issues also limit the number of initiatives an enterprise can manage at once with the proper level of trust and oversight, which holds leaders back despite widespread buy-in for AI projects.

Supported by expert commentary, this data offers guideposts for actionable next steps, demonstrating how changes like simplifying use case intake and enforcing AI assurance at the enterprise level can lead to transformative change. ■

Methodology

In January 2025 we surveyed 100 senior leaders at enterprise-level organizations – 75 based in the US, 16 in Canada, and the remainder at multinational enterprises. All were C-suite executives accountable for AI, Data, Innovation, and Transformation.

The survey covers enterprises in Financial Services, Healthcare, Life Sciences, Pharma, Biotech, Consumer Packaged Goods, Logistics, Manufacturing, Energy, and Retail. Respondents answered 14 questions about their investments in, and views of, generative AI and AI governance. ■

Contributors

Skip McCormick
Chief Technology Officer, Cornerstone Technologies

Jim Olsen
Chief Technology Officer, ModelOp

Key Findings

80%

of enterprises have **at least 51 generative AI use cases** in the proposal phase, but most only have only a handful of production use cases

58%

said dealing with **fragmented systems** was among the biggest challenges to AI governance adoption

86%

of enterprises **run the risk of inconsistent reporting** and duplicate work because they do not carry out AI assurance at the enterprise level

6-18 months

The amount of time that the majority of enterprises – **56%** – take to get a generative AI project **into production**

While

72%

of enterprises have **fewer than 20 AI use cases** in production, a wave of projects is coming...

At least

90%

have **21 or more use cases** either in development or quality assurance

27%

of enterprises have budgeted **up to $5m** for **AI governance software** – demonstrating a trend towards ring-fencing funds for this purpose

Source: Corinium Intelligence, 2025

CHAPTER ONE

Early Governance Adoption Accelerates Gen AI Projects

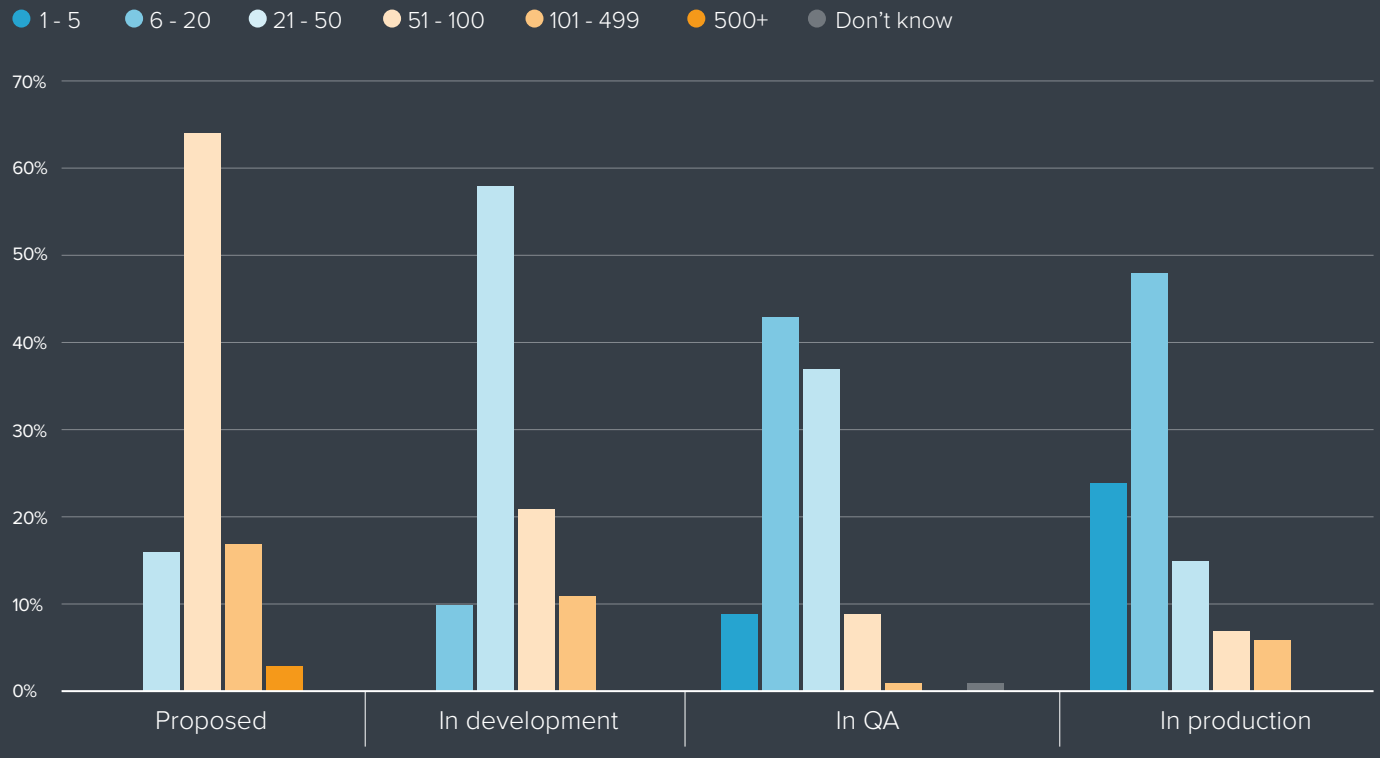
KEY TAKEAWAY

Many organizations take well over a year to bring AI initiatives into production. Amid rapid change, this creates a potential competitive disadvantage, as well as delays in demonstrating ROI. Simplifying the use case intake process and anticipating governance challenges early on can reduce time-to-market.

Enthusiasm for generative AI shows no signs of abating. More than 60% of enterprises in our survey have between 51 and 100 use cases in the proposal phase, while 20% have over 100 or even several hundred use cases under consideration.

Pipelines are healthy...

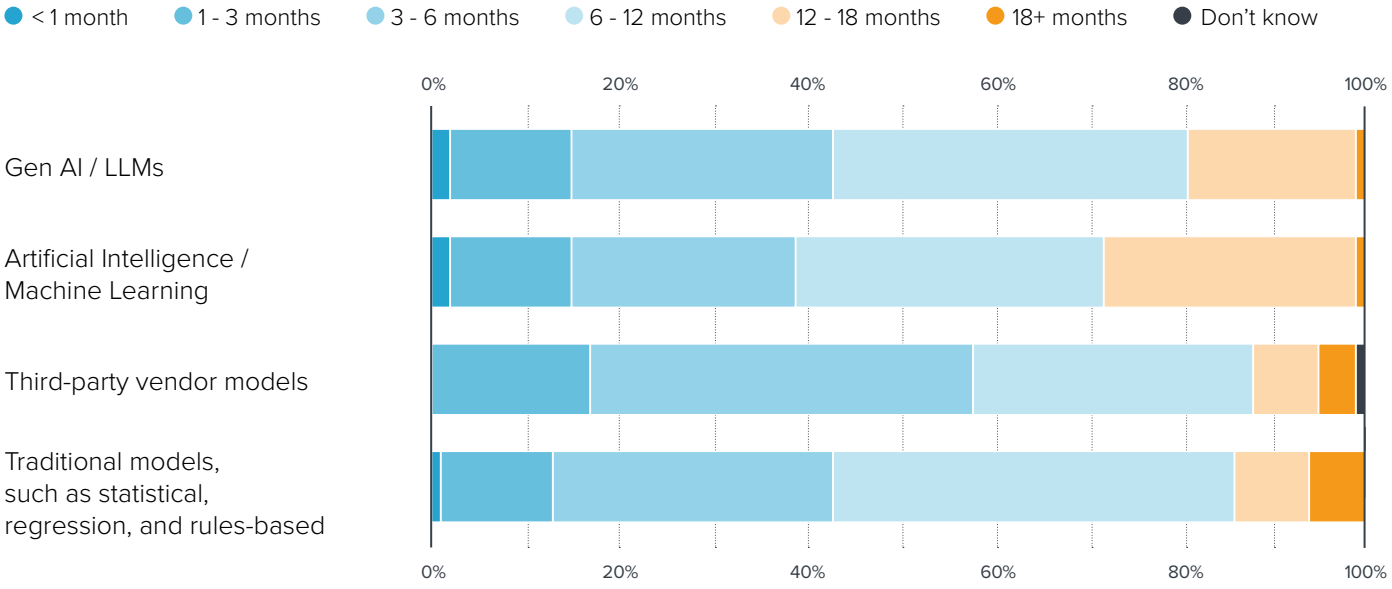
How many generative AI use cases do you currently have in each stage of the model lifecycle?



Source: Corinium Intelligence, 2025

Most initiatives take at least 6 months

On average, how long does it take for specific AI and model initiatives to go from intake to production?



Source: Corinium Intelligence, 2025

It's clear that – even though demonstrating ROI remains a challenge – leaders in the US and Canada believe strongly that this technology can provide major value. But converting this enthusiasm into tools and solutions that address business needs is proving difficult.

More than two years after the launch of ChatGPT sparked massive interest in generative AI, the majority of enterprises have just a handful of use cases in production. Just under half of those we surveyed said they had between six and 20 active use cases, while 24% have fewer than five.

As this imbalance between idea and execution suggests, long lead times are a problem. The majority of generative AI projects – 56% – take anywhere from six to 18 months to go from intake to production.

The good news is that lead times are shorter than with Machine Learning and non-generative AI projects.

One potential reason for this is the prevalence of third-party vendor models like OpenAI and Anthropic, as well as embedded AI systems like MS Copilot or Salesforce Agentforce.

"With generative AI, enterprises are more likely to turn to a vendor than to develop a foundational model themselves in house," says Jim Olsen, CTO of ModelOp. "Those third-party vendor models need to be managed and governed by your enterprise too, but the proliferation of shadow AI means your teams may be using AI without realizing it." ▶

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Jim Olsen
Chief Technology Officer, ModelOp

Among AI/ML projects, 29% take at least a year, compared to 19% for generative AI. This suggests enterprises have learned lessons from implementing traditional AI and now have some foundational processes in place. Overall, though, generative AI still takes longer to put into production than rules-based, statistical and regression models.

Under pressure to show results fast, and faced with the prospect of delays, the temptation is to bypass governance early on so that other elements of the project can make progress.

"Executives are increasingly needing to demonstrate ROI for the significant investments in their AI initiatives," says Olsen. "There's pressure for them to show leadership in new tech, drive transformation, and produce a competitive advantage — but they need to show that the tech is trustworthy too."

"Executives are increasingly needing to demonstrate ROI for the significant investments in their AI initiatives. There's pressure for them to show leadership in new tech, drive transformation, and produce a competitive advantage."

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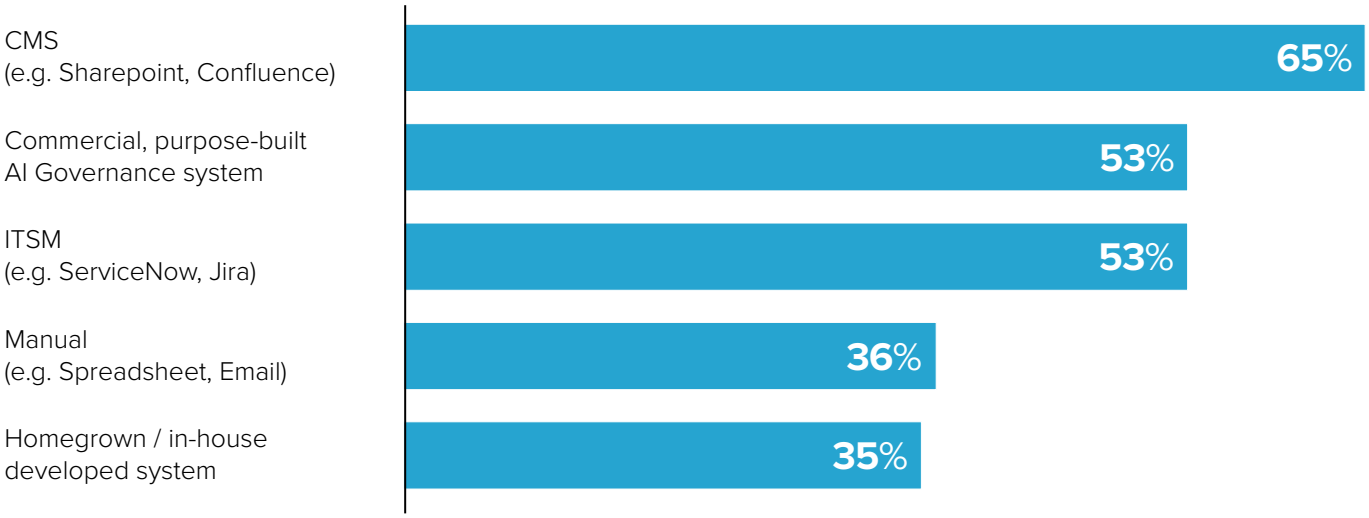
There is a persistent perception that AI governance slows innovation, when in fact it accelerates and scales as long as it is done properly. Among our respondents, 44% said they felt implementing AI governance was a lengthy process, almost twice the number who disagreed that it was. Meanwhile 24% agreed that the process felt overwhelming, more than twice the number who disagreed.

But Skip McCormick, Chief Technology Officer at the consultancy Cornerstone Technologies, says associating governance with problems and delays is the wrong mindset. When done early and effectively, governance helps use cases get into production faster, he says, while leaving it until later in the model lifecycle is what creates roadblocks.

"Many teams develop AI solutions independently and only consider governance too late in the process," he adds. "I've seen it happen repeatedly – someone builds a great model, and when they're ready to put it into production, they suddenly realize it has to comply with model risk management and governance. The reaction is often frustration. They try to bypass the process, asking for waivers. But when the Fed audits them, it's a different story." ▶

The proposal phase is unmethodical

How are you currently doing AI use case intake?



Source: Corinium Intelligence, 2025

A Lack of Standardization Causes Delays and Makes Governance Harder

This reluctance to consider governance at the proposal phase reflects a lack of standardization from the start of the model lifecycle. Most enterprises we surveyed are using at least two methods for use case intake – with an average of 2.4 per respondent. And 36% use manual processes like spreadsheets and email to collect ideas. Meanwhile 65% use a CMS like Sharepoint or Confluence, and 53% use an ITSM like Jira or ServiceNow.

Relying on numerous processes, especially if they include manual intake, creates risks and inefficiencies, and makes it more difficult to have a standardized approach to tackling governance challenges early. It can also slow compliance efforts in the long run.

It is not just reliance on multiple intake methods that raises concerns but also a lack of policy aimed at standardizing the process. Only 23% of respondents said they had implemented AI use case intake, development and management processes.

McCormick urges data and IT leaders to think of governance both in terms of risk and reward. "The risk of bad governance is massive," he says. "Look at the Wall Street Journal headlines that show governance failures contribute to billions in fines. That's the stick side of the argument. But the carrot is just as important."

Governance, he says, helps to show if organizations are using AI where it actually generates value. "Are you directing these tools toward the most profitable use cases? Do your clients even care about these implementations? Is anyone measuring their impact?" ▶

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> **Skip McCormick**
> Chief Technology Officer, Cornerstone Technologies

In the Rush to Develop Use Cases, Foundational Steps Have Been Missed

Among our survey respondents, a large majority of 68% said they had established basic and consistent compliance and regulatory processes as a foundational step towards AI governance. And 63% have implemented an AI risk management framework, such as that released by the National Institute of Standards and Technology (NIST AI RMF).

While these numbers are high, they show there is still a significant number of enterprises yet to take the most basic governance steps, despite having started the model lifecycle process for generative AI use cases.

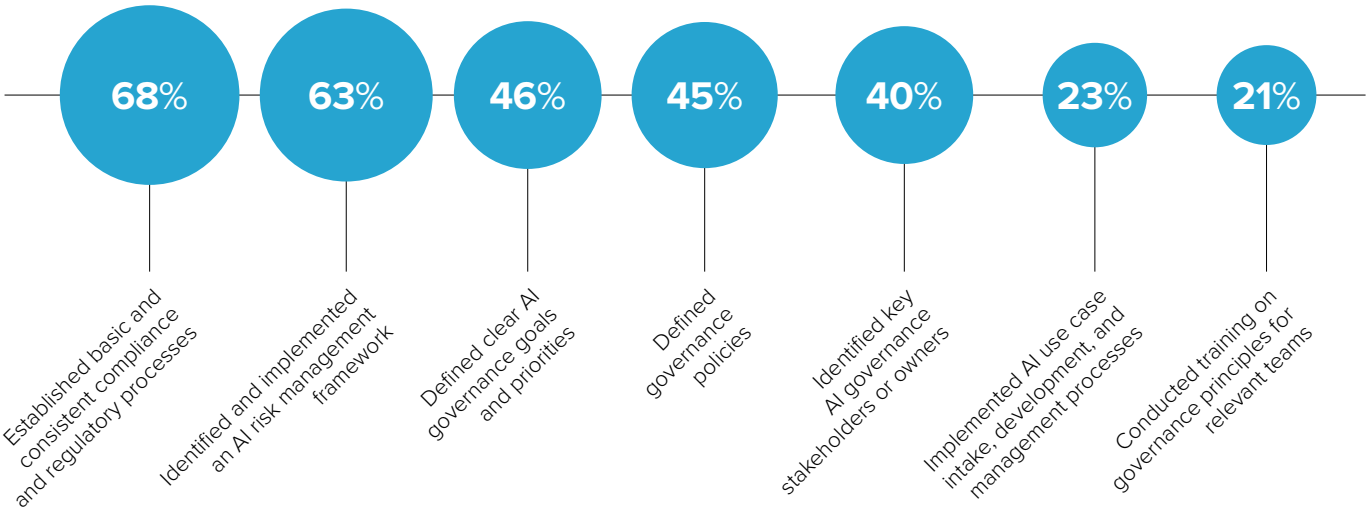
And in many other areas that form key building blocks of AI governance, a majority of enterprises are lagging: 54% have yet to define clear governance goals and priorities. Only 40% have identified key AI governance stakeholders and only 21% have conducted training on governance for relevant teams.

This suggests that while regulatory and compliance is a focus, many organizations are still some way off from full AI governance maturity. It also suggests there may be confusion about what constitutes basic and consistent compliance in this area, since some of those who said they had this in place had not yet, for example, defined their governance policies. ▶

> "Even if an enterprise does have well-defined governance policies, applying and enforcing them consistently across the many teams and systems involved is like herding cats if you're doing it with spreadsheets and manual processes."
>
> **Jim Olsen**
> Chief Technology Officer, ModelOp

Teams lack training on governance principles

Which of the following foundational steps has your organization taken to implement AI governance?



Source: Corinium Intelligence, 2025

The lack of foundational work, including a lack of training and communication, is likely part of the reason that project owners often shy away from governance until late in the development process.

"Even if an enterprise does have well-defined governance policies, applying and enforcing them consistently across the many teams and systems involved is like herding cats if you're doing it with spreadsheets and manual processes," Olsen says.

"The reality is that scaling the process for bringing AI initiatives to market is a huge challenge," he adds. "Enterprises need to embrace AI lifecycle automation if they want to guarantee policies will be enforced when dealing with hundreds or thousands of AI use cases." ■

> "I've seen it happen repeatedly – someone builds a great model, and when they're ready to put it into production, they suddenly realize it has to comply with model risk management and governance. They try to bypass the process, but when the Fed audits them, it's a different story."
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> Chief Technology Officer, Cornerstone Technologies

CHAPTER TWO

Obstacles to Adoption and How to Overcome Them

KEY TAKEAWAY

Consider enforcing AI assurance at the enterprise level to ensure clear organizational ownership and accountability. To streamline governance, ensure you have a systematic model inventory and use automation to reduce bottlenecks.

Leaders who foster the mindset that governance is an enabler – and encourage a focus on it from the ideation stage onwards – are likely to see AI models come into production faster and create more space for innovation.

Before that can happen, however, they will need to overcome several obstacles to adopting new AI governance platforms and programs. Integrating fragmented systems is the most commonly cited barrier to adoption in our survey: 58% name it as one of their biggest challenges.

> "If you make them do too much documentation, they'll go work somewhere else because they hate doing it."
>
> **Skip McCormick**
> Chief Technology Officer, Cornerstone Technologies

Close behind is replacing or scaling manual processes, which is a key challenge for 55% of organizations. Internal procurement policies and administrative burdens are an issue for 53%, while 43% say regulatory or compliance hurdles are holding them back.

One major challenge when it comes to manual processes is documentation. "It's hard to get data scientists to stop doing data science and document their models – how they work, what data they're based on, what tests were run, and so on," says McCormick.

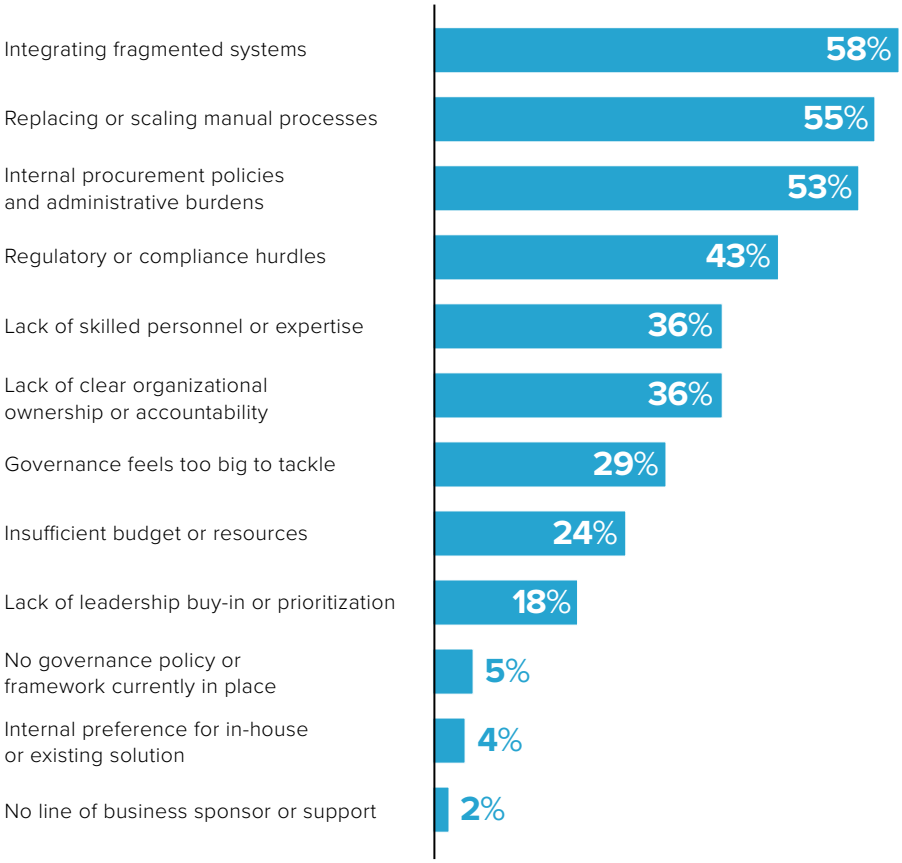
"If you don't capture that information while it's fresh in their minds, it becomes nearly impossible to get later," he adds. "If they've worked on three other models since then, they won't remember why they made certain decisions. That becomes a major problem during audits."

Documentation is costly both because it takes time away from well-compensated data scientists, and because it demotivates them, he adds. "If you make them do too much documentation, they'll go work somewhere else because they hate doing it."

He recommends that leaders consider AI lifecycle automation and governance solutions to manage this issue. ▶

Fragmented systems are a major hurdle

What are the biggest challenges your organization faces in adopting new AI governance software/platforms?



Source: Corinium Intelligence, 2025

Many Lack Confidence in AI Traceability

Among our respondents, only 36% said their organizations had strong capabilities in documentation for generative AI, while 51% said this ability was moderate and 13% said it was weak.

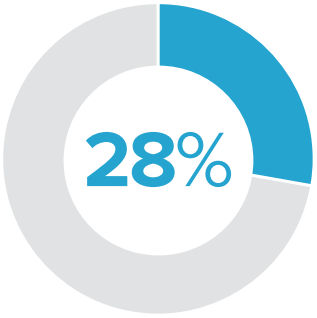
These difficulties with documentation help to explain why most organizations do not have a high level of confidence that their generative AI models are traceable.

Only 28% had high or complete confidence that they had full traceability between AI use cases and specific test results related to them. When it came to connecting use cases to exact deployment locations, 23% said they had limited confidence in traceability, while 38% had high or complete confidence.

Leaders felt more upbeat about their ability to link use cases to the underlying training data, with 46% reporting high confidence and 13% reporting limited confidence.

Our survey also identified gaps in interpretability, suggesting more work is needed to ensure AI-driven decisions are understandable, auditable and compliant with regulations. Only 40% felt they had strong capabilities in this area.

More respondents felt capable of providing visibility for users, which includes enabling transparency into the model lifecycle and showing where models are in the review and approval process. Almost half – 48% – said they had strong or very strong abilities here. At the same time, though, a full 20% felt their capabilities were weak.



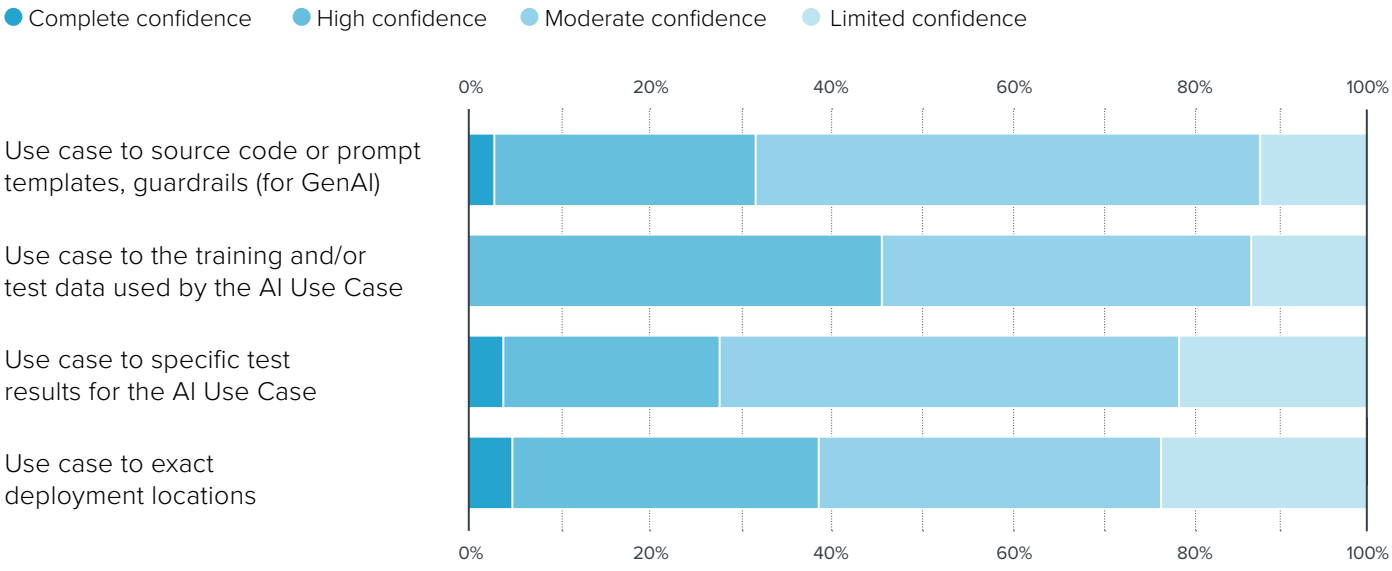
of respondents had **high or complete confidence** that they had full traceability between AI use cases and specific test results related to them

Source: Corinium Intelligence, 2025

Those struggling to establish clear links between use cases, datasets and model outputs face compliance risks, difficulty in auditing AI decisions and challenges in ensuring fairness and accountability. ▶

Limited visibility of deployment locations

How confident are you that your organization has full traceability between use cases, their technical assets, and their deployments for all AI systems used across the organization?



Source: Corinium Intelligence, 2025

Automation Offers a Big Opportunity in AI Governance

Generative AI assurance is a top-budgeted initiative for 2025 among our respondents: 60% said they are prioritizing funding here, emphasizing recognition of the need to test and validate AI models for accuracy, bias, and compliance.

At the same time, however, our survey identified potential issues with the enforcement of assurance processes. Just 14% of our respondents perform AI assurance at the enterprise level, while 51% perform these functions at the business level and escalate reporting to the enterprise level. The remaining 35% keep all assurance processes within business units.

This opens the door to duplicate work, different teams being misaligned, and a lack of clear ownership and accountability. If reporting between business units is not consistent, data that makes its way up the chain of command may be used to draw inaccurate conclusions based on the assumption it was all collected in the same way.

> "It's hard to get data scientists to stop doing data science and document their models – how they work, what data they're based on, what tests were run, and so on. If you don't capture that information while it's fresh in their minds, it becomes nearly impossible to get later."
>
> **Skip McCormick**
> Chief Technology Officer, Cornerstone Technologies

Everyone in our survey indicated that they had some kind of formal generative AI assurance process in place. This shows enterprises recognize the importance of assurance even if there is still work to do to mature the frameworks supporting it.

A fully developed assurance framework will help to streamline overall AI governance. Organizations hoping to do the latter should also ensure they have a comprehensive overview of all their models, McCormick says.

"A systematic model inventory is essential. Companies with legacy governance processes often rely on manual steps – documents are written, sent to reviewers, assessed and sent back with questions," he says.

"That process can take six months just to get a model approved. Then, depending on its risk classification, models might be reviewed every six months for medium risk or every two months for high risk."

There is a major opportunity to automate much of this process, he adds. "The problem is that humans are involved in every step. That made sense when these processes were first designed because there was no alternative. But now we can automate and accelerate a lot of that work – without removing human judgment. The goal isn't to replace humans but to speed up the process so that human expertise is applied where it matters most. That's the real opportunity in modern AI governance." ■

CHAPTER THREE

Innovation Leaders Take the Reins With AI Governance

KEY TAKEAWAY

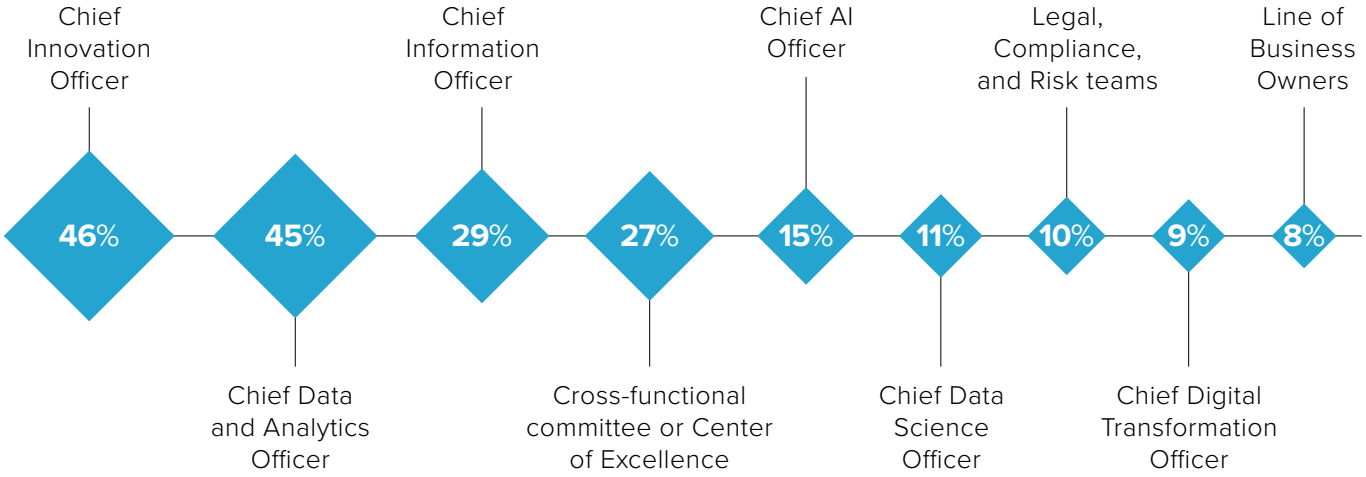
Ensure governance leadership is strong with clear ownership, especially when cross-functional teams have decision-making powers. Assess whether your data science team has the capacity to monitor model drift and compliance after use cases go live, and consider external partners who can help.

Our research highlights a shift towards innovation leaders playing a greater role in AI governance: 46% of participants said the Chief Innovation Officer is a key stakeholder in this area at their organization.

Meanwhile only 10% said legal, compliance and risk teams had responsibility for AI governance, suggesting that organizations are changing their view of AI governance from merely a risk function to a driver of innovation. ▶

Chief Innovation Officers control budgets

Which office in your organization is primarily responsible for AI governance (controls program and software budgets and is accountable for AI initiatives)?



Source: Corinium Intelligence, 2025

"Enterprises are realizing that AI governance is not a bureaucratic hurdle – they're recognizing it as a trustworthy engine to accelerate and scale innovation," says Olsen, of ModelOp.

"Effective AI governance is really about using AI lifecycle automation to coordinate the dozens of teams and systems involved with bringing AI to market and enforcing internal and regulatory policies consistently. Organizations that do this right can bring more use cases to market faster, and trust that they have the right level of control."

Collaborative approaches to AI governance leadership are also popular, our data shows – 27% said a cross-functional committee or Center of Excellence had key responsibilities in this area. And many respondents named more than one office as having a leadership role.

This multidisciplinary approach has key benefits, including that it gives various disparate stakeholders the opportunity to align on policy from the outset, preventing roadblocks later. The risk is that it may lead to analysis paralysis.

In order to be effective and keep pace with the large number of new use cases that enterprises have in their pipelines, the governance process itself must be agile. For this reason, enterprises where cross-functional teams have power in these processes should ensure there is a strong, accountable leader to move decisions forward. ▶

> "Effective AI governance is really about using AI lifecycle automation to coordinate the dozens of teams and systems involved with bringing AI to market and enforcing internal and regulatory policies consistently."
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> **Jim Olsen**
> Chief Technology Officer, ModelOp

Significant Budgets Show AI Governance Is Seen as a Key Investment

As more innovation leaders come on board, enterprises are investing significant sums in AI governance, with budgets typically ranging from $250,000 to $1m per year. The majority of organizations in our survey – 43% – have allocated an amount in this range for AI governance software, while 27% are budgeting between $1m and $5m annually, and 9% are committing more than $5m each year.

Meanwhile, 21% have a more modest budget of between $100,000 to $250,000, and no organizations reported a budget below $100,000. These significant financial commitments across industries demonstrate a growing appreciation

36%

of organizations are budgeting **over $1m for AI governance software** for the upcoming year

Source: Corinium Intelligence, 2025

of the importance of AI governance, not just as a means of mitigating downside risk but as an investment in its own right, with the potential for demonstrable ROI.

Governance – by giving visibility into tools and their usage and standardizing assessment frameworks – makes it easier to measure AI's business impact, something that gets overlooked far more often than it should.

"The ROI of AI investments is both incredibly hard to measure and incredibly important," says McCormick, of Cornerstone Technologies. "Companies have launched these big initiatives and invested heavily in them, and now they're coming back and asking, are we actually getting a return on this? The first response is often, I don't know."

"That's where ownership comes in," he adds. "Someone needs to be accountable – not just for the risk but for ensuring AI investments actually drive business value. That's just as important as governance."

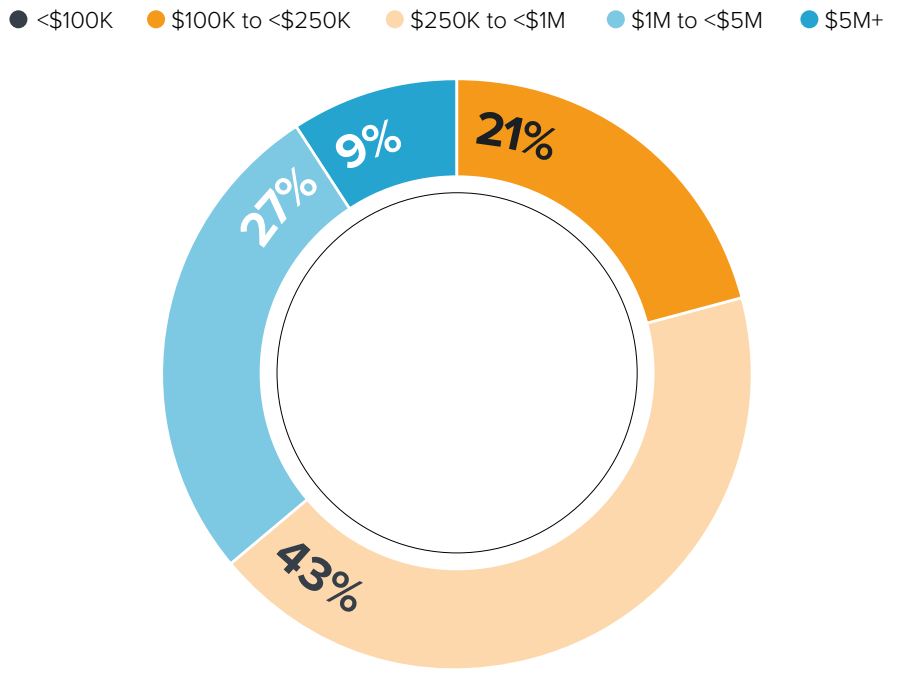
More than half of our respondents – 54% – said that AI Portfolio Intelligence is a budgeted line item for 2025, meaning they have earmarked resources specifically for the proactive and dynamic management of AI value to the business.

Yet for some, budget constraints are still holding back progress. Just under a quarter – 24% – said having insufficient budget or resources was among the biggest challenges their organization faces in adopting new AI governance software and platforms.

And there is still room at many organizations to carve out AI governance as a distinct investment priority. While 99% allocate some level of funding for AI governance software, only 29% have a dedicated budget for it and the remaining 70% include it within broader IT or innovation budgets. ▶

The $5m+ club

How much has your entire organization budgeted for AI Governance Software for the upcoming year?



Source: Corinium Intelligence, 2025

How External Partners Can Reduce Risk and Boost ROI

The vast majority of enterprises have enlisted some form of third-party assistance as part of their investment in AI governance, our data shows. Most, 74%, have already implemented a solution with a professional services or consulting firm, while 14% have commercial AI governance software in production and 12% use in-house software.

McCormick cautions against trying to do governance completely in-house. "A lot of organizations – ones I've worked with included – try to build their own model risk management solutions."

"But then the question becomes: Who's responsible when those metrics aren't up to date?" he adds. "Or when they don't meet the right thresholds? Or worse, when you're not even measuring the right things? Data scientists are notorious for moving on to the next challenge after deployment."

This makes it difficult to assess if the model is still accurate down the line, he adds. "This is where having a dedicated solution – whether a software product or an external partner – makes a big difference. Their expertise is managing model performance, monitoring drift, and ensuring compliance."

And in the event that something does go wrong, having an SLA and being able to demonstrate a responsible framework was in place puts organizations in a much stronger position with regulators.

"Instead of being left to answer to auditors, investors, or governance teams alone, you can point to a structured process," McCormick says. "Saying, 'we thought our data scientists were on top of it' isn't a good defense."

The right external partner can also facilitate tangible ROI, while also being incentivised more than internal teams to track and measure it. "Having a dedicated solution – whether a software product or an external partner – makes a big difference," McCormick says. ■

CASE STUDY

The FSI Firm That Halved Time to Market for AI Models

A financial services firm saw a twofold increase in the speed of getting AI models into production after adopting an AI lifecycle automation and governance inventory. The inventory, developed in partnership with ModelOp, delivers real-time insights into the performance, health and value of all its models. The time the organization took to resolve issues, meanwhile, fell 80% – from weeks to hours.

The company had hundreds of models being developed, deployed and maintained across different siloed departments, but executives and team leads lacked visibility into AI initiatives and had no way to enforce consistent controls, leading to financial and regulatory risk exposure.

With ModelOp's software, it was able to rationalize its model portfolio by eliminating redundant models and replacing lower-performing ones with higher performers. It also offered full visibility into production issues to enable rapid remediation.

2X
increase in speed of production

80%
reduction in time to resolve issues

100% assurance
All models used for business decisioning have followed defined governance controls

CONCLUSION

Speed Will Separate the Leaders From the Laggards

As generative AI continues to generate massive interest among business leaders, the gap between those who protect and enhance their investments with good governance from the outset, and those who delay doing so, will become ever more apparent.

Perhaps the most important way this gap will manifest is in time to market for AI projects; bad governance almost always means delays.

Leaders who recognize that governance is an enabler, and embed it into the ideation phase – backed by clear policies, automation, and accountable leadership – will be better positioned to achieve ROI quickly and responsibly.

As governance shifts from a risk-avoidance function to a catalyst for innovation, investment in tailored platforms and external expertise will accelerate.

The rewards for those who make these investments in the right way will include faster time to value, better oversight, and a clearer alignment between use cases and business goals. ■

About ModelOp

ModelOp is the leader in AI lifecycle automation and governance software, purpose-built for enterprises. We enable organizations to bring all their AI initiatives—from GenAI and ML to regression models—to market faster, at scale, and with the confidence of end-to-end control, oversight, and value realization. ModelOp is used by the most complex and regulated institutions in the world—including major banks, insurers, regulatory bodies, healthcare organizations, and global CPG companies—because it delivers the structure, automation, and oversight necessary to operationalize AI at scale across the entire enterprise.

In 2024, ModelOp received the prestigious AI Breakthrough Award for Best AI Governance Platform and was also recognized as a winner in Inc.'s Best in Business Awards in the AI & Data category. In 2025, it was awarded the Best AI Governance Software Award from Netty Awards and received Business Intelligence Group's Artificial Intelligence Excellence Award.

To learn about how ModelOp can help you accelerate and scale your AI initiatives with the proper oversight, please contact **sales@modelop.com** or visit **www.modelop.com** to request a meeting.

ModelOp

About the Editor

Joshua Carroll is an experienced editor and content marketer and produces B2B stories that focus on emergent trends in data and analytics, cloud computing, information security, and more.

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